Recruitment and promotion rules for RRBs

4282. DR. C. NARAYANA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have issued recruitment and promotion rules, 1998 for RRBs;

(b) if so, whether there is any criteria fixed for creation of vacancies in various cadres based on the annual business growth;

(c) whether these rules ensure atleast one promotion to every member of staff before he retires; and

(d) the steps proposed to offset the mass retirement from the year 2006 by suitable recruitment and training scheme by that time?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b)No specific criteria has been fixed in the Regional Rural Banks (Appointment and Promotion of Officers and Other Employees) Rules, 1998. However the Board of Directors of each RRB may in consultation with sponsor banks create such number of posts as specified in the first schedule to said rules from time to time.

(c) As per the RRBs (Appointment and Promotion of Officers and Other Employees) Rules, 1998, Scale II and Scale III posts are to be filled up 100% by promotion. Scale I posts have to be filled up 50% by promotion while the posts of Clerk-cum-Cashier and Clerk-cum-Typist are to be filled up 10% by promotion. The posts of Stenographer have to be filled up by promotion failing which by direct recruitment.

(d) New staffing norms have been set up which *inter-alia,* include technology up gradation such as computerisation of 50% of branches, head offices and area offices of RRBs in a phased manner in the next five years.

Regulatory framework for auditing firms

4283. SHRI K. RAMA MOHANA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Department of Company Affairs is working on a regulatory framework for auditing firms with a focus on regulation of non-audit services and tracking relationship between companies and auditors;

(b) whether the accounting standards framed by Malegam Committee have been made binding on the auditing firms;

(c) if so, since when these standards came into operation; and

(d) if not, the reasons for delay in making the standard binding on the accounting firms?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PAT1L): (a) to (d) The required information is being collected and will be laid on the Table of the House.

Regulation of NBFCs

4284. SHRISATISHPRADHAN:
SHRI P. PRABHAKARREDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether some leading financial and agro-based plantation companies have failed/refused to return money to the investors even on the maturity of their deposits;

(b) if so, what is Government's reaction thereto and the steps taken or proposed to be taken in this regard;

(c) whether Government are setting up any regulatory body to control the activities of the fly-by-night companies playing havoc with the deposits from small depositors; and

(d) if so, by when, and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) It had come to the notice of the regulatory authorities concerned that several entities had failed to meet their obligations.

SEBI has debarred several entities, their promoters/directors/managers/ persons in-charge of business of their schemes from operating in the capital market for a period of 5 years. On 22nd January, 2002, the Delhi High Court ordered the freezing of bank accounts of 513 erring entities running collective investment schemes and their directors/promoters till they comply with SEBI's directions regarding repayment to their investors.